

*Bea - file*  
May 11, 1960

DEPARTMENTAL CIRCULAR NO. 1024, SUPPLEMENT NO. 13

TO HEADS OF DEPARTMENTS AND INDEPENDENT ESTABLISHMENTS

SUBJECT: Federal Employees Health Benefits Program: Coverage of Reemployed Annuitants.

1. ENROLLMENT PERMITTED

Enrollment of a reemployed annuitant in the health benefits program is permitted if he is not excluded from coverage by Section 89.2 of the Group Health Benefits Regulations or by law. Thus, a reemployed annuitant whose title to annuity is not terminated by the reemployment and who is not excluded from coverage must register to enroll or not to enroll, in the same manner as any other eligible employee. Since the regulations exclude employees serving under appointments limited to one year or less and because reemployed annuitants generally serve under appointments which are so limited, it is probable that not many of them will be eligible to register. In this connection, the Commission recommends against the reemployment of an annuitant solely or principally for the purpose of qualifying him for the benefits of this program.

2. CONTINUANCE OF COVERAGE AFTER SEPARATION

If an annuitant does acquire health benefits coverage during his reemployment, he is eligible to continue the coverage after his separation from the reemployment only if, upon separation, he qualifies for a supplemental annuity. The "supplemental annuity" requirement is based on the provision in the health benefits law which defines an "annuitant" as one who, among other things, retires on an immediate annuity. (Establishing title to the supplemental annuity constitutes retirement on an immediate annuity).

The eligibility requirements for supplemental annuity are stated in Chapter R-5, Federal Personnel Manual under "Reemployment of Retired Employees." These requirements provide that, among other things, the final period of reemployment consist of at least one year of continuous full-time service. An annuitant under a system other than the Civil Service Retirement System who, upon reemployment, is covered by the Civil Service Retirement System may retire under the latter System. Upon retirement under the Civil Service Retirement System he may, if otherwise eligible, continue his health benefits coverage.

3. LIFE INSURANCE DIFFERENTIATED

As they relate to reemployed annuitants, the Group Health Benefits Regulations differ from those of the Group Life Insurance Regulations. In the case of the latter, a reemployed annuitant who retains title to his annuity cannot acquire life insurance coverage as an employee (unless he was continuously reemployed between August 29, 1954, and January 31, 1959).